Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
				of the PIC change.	
III-15	**Should the Interconnection Agreement contain a provision under which Verizon agrees to use its best efforts to negotiate rights for MCIm to use Verizon's network under the same licensing terms that Verizon's receives from its vendors? Should that provision require Verizon to indemnify WorldCom against third party intellectual property claims arising out of WorldCom's use of Verizon's network, in the event that Verizon fails to use its best efforts to negotiate such rights for MCIm? Should that provision also require Verizon to warrant that it will seek to ensure in its licensing agreements with third parties that WorldCom may use or interconnect with Verizon's network equipment or software? Should the provision contain additional clauses relating to Verizon's obligation to provide notice of third party intellectual property claims, Verizon's obligation to avoid such claims where possible, and WorldCom's reservation of rights to pursue certain remedies against Verizon?** *Intellectual Property How should Verizon's "best efforts" obligations to procure IP licenses that protect AT&T be accounted for in the Agreement and what are the Parties'*	**20.2 Verizon shall use its best efforts to negotiate or renegotiate any vendor or licensing agreements with respect to equipment or software used in Verizon's network so that such agreements permit MCIm to use such equipment or software pursuant to the terms of this Agreement. In the event Verizon fails to use such best efforts, Verizon shall indemnify MCIm against any loss, cost, expense or liability arising out of or relating to MCIm's use, pursuant to the terms of this Agreement, of such equipment or software or any intellectual property associated therewith. Verizon also hereby warrants that it will not enter into any future licensing agreements with respect to equipment or software used in Verizon's network without using its best efforts to negotiate provisions that would permit MCIm to use or interconnect with such equipment or software pursuant to the terms of this Agreement. Verizon also warrants that it has not, and will not, intentionally modify any existing licensing agreements for existing network equipment or software in order to disqualify MCIm from using or interconnecting with such network equipment or software pursuant to**	**These provisions are necessary because they provide WorldCom with certainty that Verizon will use its best efforts to provide access to its network, equipment and software on a non-discriminatory basis. The proposed language of WorldCom is intended to accomplish three things.** **First, in requiring Verizon to use its best efforts in negotiating and renegotiating license rights that allow WorldCom to use third party intellectual property embedded in Verizon's network, it memorializes the recent decisions of the FCC and the U.S. Court of Appeals for the Fourth Circuit.** **Second, the proposed language enumerates the consequences of Verizon's failure to use its best efforts. In any transaction document in which rights of use of intellectual property are concerned, it is customary and prudent to place the pro-active burden of obtaining license rights from third parties on the entity that is in the best position to know what rights are at issue and that is in the best position to negotiate with such third parties.** **Third, the language proposed by**	Verizon proposes to use same language for WorldCom as it does for AT&T, set forth below: 28.16.4 [**WorldCom/***AT&T*] acknowledges that services and facilities to be provided by BA hereunder may use or incorporate products, services or information proprietary to third party vendors and may be subject to third party intellectual property rights. In the event that proprietary rights restrictions in agreements with such third party vendors do not permit BA to provide to [**WorldCom/***AT&T*], without additional actions or costs, particular unbundled Network Element(s) otherwise required to be made available to [**WorldCom/***AT&T*] under this Agreement, then, as may be required by Applicable Law: a) BA agrees to notify [**WorldCom/***AT&T*], directly or through a third party, of such restrictions that extend beyond restrictions otherwise imposed under this Agreement or applicable Tariff restrictions ("Ancillary Restrictions"); and b) *BA shall use its best efforts*, as commercially practical, to procure rights or licenses to allow BA to	Verizon's proposed contract language obligates Verizon to use its best efforts -- nevertheless, WorldCom and AT&T both want something more. Specifically, by injecting indemnification obligations not required by applicable law, both attempt to replace the "best efforts" standard prescribed by the Commission with a commercially unreasonable strict liability standard. Verizon's proposed language makes UNEs available, agrees to provide notification of any restrictions (which, to date, has been only a theoretical requirement), agrees to use best efforts to procure rights or licenses again, and provides for cost recovery as permitted under "applicable law." By suggesting warranty or indemnification language that goes beyond these requirements, both AT&T and WorldCom seek to guaranty results beyond Verizon's control, implying that if a certain result is not achieved, then Verizon must have failed to use "best efforts." Nothing cited by AT&T or WorldCom provides a basis for imposing these warranty or indemnification obligations on Verizon. See Direct Testimony of General Terms and Conditions Panel, dated August 17, 2001, at pp. 7-11; and Rebuttal Testimony of General Terms and Conditions Panel, dated September

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
	indemnification obligations with respect to IP issues?	**the terms of this Agreement. To the extent that the providers of equipment or software used in Verizon's network provide Verizon with indemnities covering intellectual property liabilities and those indemnities allow a flow through of protection to third parties, Verizon shall flow those indemnity protections through to MCIm. Verizon will inform MCIm of any pending or threatened intellectual property claims relating to Verizon's network of which Verizon is aware and will update that notification periodically as needed, so that MCIm receives maximum notice of any intellectual property risks. Notwithstanding any part of this Section [20], MCIm retains the right to pursue legal remedies against Verizon if Verizon is at fault in causing intellectual property liability to MCIm.** **20.2.1 For purposes of Section [20.2], Verizon's obligation to indemnify shall include the obligation to indemnify and hold MCIm harmless from and against any loss, cost, expense or liability arising out of a claim that MCIm's use, pursuant to the terms of this Agreement, of such Verizon network equipment or software infringes the intellectual property rights of a third party. Moreover, should any such network**	**WorldCom contains warranties that ensure that Verizon does not intentionally alter existing licensing agreements in order to interfere with WorldCom's use of intellectual property. (See Direct Testimony of Robert Peterson and Matt Harthun, at 4).** *The applicable regulations and law are clear. See generally, Direct Testimony of Frederik Cederqvist at 8-9. The FCC has established that § 251(c)(3) of the 1996 Act requires ILECs to use best efforts to negotiate with third-party equipment and software vendors to obtain licenses and/or license modifications that will permit CLECs accessing unbundled network elements ("UNEs") to use the intellectual property embedded in the ILEC's network on the same terms as the ILEC. In the Matter of Petition of MCI for Declaratory Ruling That New Entrants Need Not Obtain Separate License or Right-to-Use Agreements Before Purchasing Unbundled Elements, Memorandum Opinion and Order, CCBPol. 97-4, CC Docket No. 96-98 (rel. April 27, 2000) (the "UNE Licensing Order"), 15 FCC Rcd 13896, 13902. This requirement simply furthers the FCC's plain intent that CLECs will be permitted to use all features and functionalities of each UNE that CLECs access in the same manner*	provide to [**WorldCom**/*AT&T*] the particular unbundled Network Element(s), on terms comparable to terms provided to BA, directly or on behalf of [**WorldCom**/*AT&T*] ("Additional Rights/Licenses"). Costs associated with the procurement of Additional Rights/Licenses shall be passed through to [**WorldCom**/*AT&T*] as permitted under Applicable Law. In the event that Verizon, after using its best efforts, is unable to procure a right or license for [**WorldCom**AT&T], Verizon will promptly notify AT&T of that outcome.	5, 2001, at pp. 4-6.

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		equipment or software or any portion thereof provided by Verizon hereunder become, or, in Verizon's reasonable opinion, be likely to become, the subject of a claim of infringement, or should MCIm's use thereof be finally enjoined, Verizon shall, at its immediate expense and at its choice: **20.2.1.1 Procure for MCIm the right to continue using such material; or** **20.2.1.2 Replace or modify such material to make it non-infringing provided such replacement or modification is functionally equivalent.** AT&T's proposed contract language at § 28.16 fulfills the intent of the FCC and of Congress, and the requirements of § 251(c)(3). 28.16 No Licenses 28.16.1 [Nothing in this Agreement shall be construed as the grant of a license, either express or implied, with respect to any patent, copyright, trade name, trade mark, service mark, trade secret, or any other proprietary interest or intellectual property, now or hereafter owned, controlled or licensable by either Party. Neither Party may use any patent, copyrightable materials, trademark,	*and on the same terms as the ILECs with which they compete. Id. This requirement is absolute with respect to new licensing agreements entered into by ILECs, and is expected to be easily met, subject only to rare exceptions, where existing ILEC licensing agreements must be renegotiated to allow CLECs access to UNEs. Id. at 13902 - 13905. (noting that ILECs must negotiate new licensing agreements to reflect these requirements and expressing skepticism that ILECs will not be able to renegotiate existing agreements in a manner that will fulfill this obligation). The FCC's judgment that § 251(c)(3) requires ILECs to negotiate and/or renegotiate licensing agreements with third parties to allow CLECs access to UNEs on non-discriminatory terms and conditions is completely consistent with the seminal court decision in this area. AT&T Communications of Virginia, Inc., et al. v. Bell Atlantic-Virginia, Inc., et al., 197 F. 3d 663 (4th Cir. 1999).* *To ensure that Verizon meets that obligation, AT&T had also proposed that Verizon be obligated to indemnify AT&T against infringement or misappropriation claims and warrant that AT&T had rights to access and use without being subject to claims of misappropriation or infringement by third parties. The theory is that the indemnification*		

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		trade name, trade secret or other intellectual property right of the other Party except in accordance with the terms of a separate license agreement between the Parties granting such rights.] Except for a license to use any facilities or equipment (including software) or to receive any service solely as provided in this Agreement, nothing contained within this Agreement shall be construed as the grant of a license, either express or implied, with respect to any patent, copyright, trade name, trade mark, service mark, trade secret, or other proprietary interest or intellectual property, now or hereafter owned, controlled or licensable by either Party. 28.16.2 [Neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other Party or its Customers based on or arising from any claim, demand, or proceeding by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision of any facilities by either Party under this Agreement, alone or in combination with that of the other Party, constitutes direct, vicarious or contributory	*obligation would ensure that Verizon's "best efforts" were, indeed, expended. See Direct Testimony of Frederik Cederqvist at 8.* *AT&T's proposed contract language at § 28.16 fulfills the intent of the FCC and of Congress, and the requirements of § 251(c)(3), while Verizon's language does not. AT&T's proposed contract language[1] ensures that AT&T is permitted to use UNEs in the same manner and on the same terms as Verizon. Further, it requires Verizon to use best efforts to renegotiate existing licenses with third-parties to allow for AT&T's non-discriminatory use of UNEs where those licenses do not permit Verizon to provide CLECs with such access to UNEs. AT&T's language also provides assurances that Verizon will make bona fide best efforts to renegotiate, and provides Verizon incentives to use best efforts to renegotiate required changes as soon as practicable. AT&T's warranty provisions merely guarantee what the Act expressly contemplates: that AT&T will be permitted to access and use UNEs in the same manner as Verizon, with the same protections against infringement and misappropriation that Verizon enjoys. See Cederqvist Direct at 8.* *Verizon contends that AT&T's proposed language goes beyond the intent of the FCC and Congress, and the requirements of the Act. Direct*		

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		infringement or inducement to infringe, misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any Party or third party. Each Party, however, shall offer to the other reasonable cooperation and assistance in the defense of any such claim.] Subject to the provisions of 28.16.3 below, as of the Effective Date and continuously throughout the term of this Agreement: 28.16.2.1 Verizon warrants that AT&T may use in the same manner as Verizon any facilities or equipment (including software) used by Verizon in the performance of this Agreement that contains intellectual property owned or controlled by third parties without being subject to any claims that AT&T's use of such facilities or equipment (including software) infringes, misappropriates or otherwise violates the intellectual property rights of any third party. 28.16.2.2 Verizon warrants that it has not and will not intentionally modify any existing license agreements for any facilities or equipment (including software) in whole or in part to disqualify AT&T from using or interconnecting with such facilities or equipment (including software) pursuant to the terms of this Agreement.	*Testimony of General Terms Panel of Christos Antoniou, et al., August 17, 2001, at 9. But while Verizon concedes the applicable law and regulations, it fails to implement them in its own proposed contract language. Contrary to Verizon's suggestion that there is nothing wrong with its proposed language, id. at 8, the ways in which Verizon's proposal fails to effectuate the requirements of § 251(c)(3) are numerous and compel rejection of Verizon's proposal, as follows:* • *First, Verizon's proposal[2] absolves Verizon of any obligation to represent or warrant permissible uses of the UNEs that AT&T accesses,see endnote 2, despite the fact that § 251 obligates Verizon to make UNEs and UNE features and functionalities available to CLEC competitors. Verizon's refusal to represent or warrant permissible uses of UNEs simply cannot be squared with its obligation to make UNEs available. Indeed, the FCC explicitly so recognized in requiring ILECs such as Verizon to assist CLECs in determining the permissible uses of UNEs, even where confidentiality provisions of intellectual property agreements with third-parties would be implicated. UNE*		

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		28.16.2.3 To the extent that providers of facilities or equipment (including software) used by Verizon in the performance of this Agreement provide Verizon with indemnities covering liabilities for infringement, misappropriation or other violation of intellectual property rights, Verizon warrants that those indemnity protections flow through fully to AT&T. 28.16.2.4 Verizon shall indemnify and hold AT&T harmless from and against any loss, cost, expense or liability arising out of a claim that AT&T's use, pursuant to the terms of this Agreement, of any facilities or equipment (including software) used by Verizon in the performance of this Agreement infringes, misappropriates or otherwise violates the intellectual property rights of any third party. 28.16.2.5 Verizon will promptly inform AT&T of any pending or threatened intellectual property claims relating to Verizon's network, including without limitation any facilities or equipment (including software) used by Verizon in the performance of this Agreement, of which Verizon is aware, and will provide to AT&T periodic and timely updates of such notification as appropriate, so that AT&T receives maximum notice of any intellectual	*Licensing Order, 15 FCC Rcd, at 13906.* • *Second, Verizon's proposal commits it only to attempt to renegotiate licenses to allow AT&T access to UNEs on terms comparable to terms provided to Verizon. The FCC has made clear that Verizon must use best efforts to renegotiate licenses to provide access that is non-discriminatory, that is, access on terms that are the same as – - not similar or comparable to—the terms that Verizon enjoys. The interconnection agreement must reflect the full extent of Verizon's best efforts obligation, not the watered-down version of that obligation that Verizon prefers.*[3] • *Third, Verizon's proposed language purports not even to grant AT&T a license to use Version's UNEs—such as they are—but instead purports to require AT&T to negotiate the terms of a license agreement separate from the interconnection agreement itself. See Endnote 3. This is a process guaranteed to insure delay, since it is uniquely within Verizon's control.* • *Finally, Verizon's proposal implies that there must be some negotiation of Verizon's recovery of the costs of*		

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		property risks that it mav want to address. 28.163 [NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, THAT THE USE BY EACH PARTY OF THE OTHER'S FACILITIES, ARRANGEMENTS, OR SERVICES PROVIDED UNDER THIS AGREEMENT SHALL NOT GIVE RISE TO A CLAIM OF INFRINGEMENT, MISUSE, OR MISAPPROPRIATION OF ANY INTELLECTUAL PROPERTY RIGHT, INCLUDING ANY RIGHT OF THE PARTIES TO THIS AGREEMENT.] If and to the extent Verizon asserts that is unable to make any of the warranties required pursuant to Section 28.16.2 notwithstanding the fact that Verizon has exercised best efforts to enter into the necessary arrangements with third parties to enable Verizon to make such warranties: 28.16.3.1 Verizon shall promptly notify AT&T in writing of (i) the specific facility or equipment (including software) with respect to which it is making such assertion, (ii) the extent to which it asserts it is unable to make any of the warranties	*acquiring additional license rights. See Endnote 3. In fact, the FCC has made clear that these costs are to be recovered from the ILEC. Both Verizon and all competitors must bear the same proportionate and reasonable costs. UNE Licensing Order, 15 FCC Rcd, at 13903-13904. Verizon thus should make any such request for a change in UNE rates in an appropriate Commission docket, using the cost recovery allocation method mandated by the FCC.* *Thus, where AT&T's language assures implementation of these §251(c)(3) requirements, Verizon's language fails. And Verizon's reliance on the outcome of the NY arbitration to urge the rejection of AT&T's approach ignores the fact that the NY Commission expressly found that "the new agreement will contain other, sufficient remedies to redress any failure by Verizon to fulfill its obligations." Case 01-C-0095, NY Arbitration Award, at 23. Absent such a similar finding here, AT&T's proposed terms should be adopted to ensure that the obligations properly imposed on Verizon are addressed.* *ENDNOTES* *1/ During mediation of this issue, AT&T agreed to revise this aspect of its proposal to be consistent with the*		

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		required pursuant to Section 28.16.2, and (iii) the basis on which Verizon claims that it has exercised best efforts to enter into such arrangements. 28.16.3.2 In the event that AT&T does not agree in writing that Verizon has exercised such best efforts, Verizon may seek a determination pursuant to the Alternative Dispute Resolution procedures of Section 28.11 (Expedited Procedures) as to whether it has exercised such best efforts. 28.16.3.3 In the event Verizon obtains an order pursuant to Section 28.16.3.2 making a determination that it has exercised best efforts to enter into the necessary arrangements with third parties to enable Verizon to make all warranties required pursuant to Section 28.16.2, (i) Verizon's warranties, and any associated indemnities, shall be limited as of the date of such order only to the minimum extent necessary, as determined pursuant to such order, to reflect Verizon's inability to make such warranties and indemnities notwithstanding its exercise of best efforts. Until such time as Verizon has obtained such an order pursuant to Section 28.16.3.2, Verizon shall be fully responsible for all warranties and indemnities required pursuant to Section 28.16.2.	*recent decision of the New York PSC. Direct Testimony of Frederik Cederqvist at 8.* *2/ Verizon similarly agreed to revise its language acknowledging that its proposed contract terms were found by the New York Public Service Commission to lack the requisite notice owed to AT&T when its own license negotiations proved unsuccessful. Joint Petition of AT&T Communications of New York, Inc., TCG New York Inc. and ACC TelecomCorp. Pursuant to Section 252(b) of the Telecommunications Act of 1996 for Arbitration to Establish an Interconnection Agreement with Verizon New York Inc., Case 01-C-0095, NY PSC.* *3/ Ironically, at the same time it wants to offer AT&T only comparable — not the same terms -- Verizon repeatedly claims that its proposed indemnity language places Verizon and AT&T on equal footing with respect to potential exposure for misuse or infringement. Actually, this claim exposes the inherent unfairness of Verizon's position with respect to indemnity for accessing UNEs: Verizon seeks to spread financial risk in connection with Verizon's obligation — and Verizon's obligation alone -- to provide non-discriminatory access to UNEs. Since AT&T has no such obligation to*		

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		28.16.3.4 In the event Verizon obtains an order pursuant to Section 28.16.3.2 making a determination that it has exercised best efforts to enter into the necessary arrangements with third parties to enable Verizon to make all warranties required pursuant to Section 28.16.2, Verizon shall use best efforts to assist AT&T in obtaining rights and protections comparable to those it would enjoy if Verizon were able to make all warranties required pursuant to Section 28.16.2. 28.16.3.5 In the event Verizon obtains an order pursuant to Section 28.16.3.2 making a determination that it has exercised best efforts to enter into the necessary arrangements with third parties to enable Verizon to make all warranties required pursuant to Section 28.16.2, the rate that Verizon may charge AT&T for any affected facility or equipment (including software) shall be reduced to reflect the diminution in value to AT&T of such facility or equipment (including software) absent the ability to use the affected intellectual property. Such diminution in value shall not be less than the value of any fees or other compensation AT&T is required to pay in order to obtain rights and protections comparable to those AT&T would enjoy if Verizon were able to make all warranties	*provide access to UNEs, especially insofar as Verizon's network and licensing agreements with third party vendors are concerned, financial risk should not be spread to AT&T while Verizon meets its own unique obligations as an ILEC under the Act.*		

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		required pursuant to Section 28.16.2. 28.16.4 [AT&T acknowledges that services and facilities to be provided by Verizon hereunder may use or incorporate products, services or information proprietary to third party vendors and may be subject to third party intellectual property rights. In the event that proprietary rights restrictions in agreements with such third party vendors do not permit Verizon to provide to AT&T, without additional actions or costs, particular unbundled Network Element(s) otherwise required to be made available to AT&T under this Agreement, then, as may be required by Applicable Law: a) Verizon agrees to notify AT&T, directly or through a third party, of such restrictions that extend beyond restrictions otherwise imposed under this Agreement or applicable Tariff restrictions ("Ancillary Restrictions"); and b) Verizon shall use its best efforts, as commercially practical, to procure rights or licenses to allow Verizon to provide to AT&T the particular unbundled Network Element(s), on terms comparable to terms provided to Verizon, directly or on behalf of AT&T ("Additional Rights/Licenses"). Costs associated with the procurement of Additional Rights/Licenses shall be recovered as agreed by the Parties and, absent such agreement, pursuant to the dispute			

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		resolution procedures set forth in this Agreement. If and to the extent that Verizon is unable to make all warranties required pursuant to Section 28.16.2 without incurring additional costs including the payment of additional fees, in renegotiating with its vendors or licensers, Verizon may seek recovery of such costs as are reasonable. Such additional costs shall be shared among all requesting carriers, including Verizon, on the basis of proportionate use of the affected intellectual property. 28.16.5 For all intellectual property owned, controlled or licensed by third parties associated with the Network Elements provided by Verizon under this Agreement, either on the Effective Date or at any time during the term of this Agreement, Verizon shall promptly disclose to AT&T in writing (i) the name of the party owning, controlling or licensing such intellectual property, (ii) the facilities or equipment (including software) associated with such intellectual property, (iii) the nature of the intellectual property, and (iv) the relevant agreements or licenses governing Verizon's use of the intellectual property. Within five (5) business days of a request by AT&T, Verizon shall provide copies of any relevant agreements or licenses governing Verizon's use of the			

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		intellectual property to AT&T. To the extent Verizon is prohibited by confidentiality or other provisions of an agreement or license from disclosing to AT&T any relevant agreement or license, Verizon shall immediately (i) disclose so much of it as is not prohibited. and (ii) exercise best efforts to cause the vendor, licenser or other beneficiary of the confidentiality provisions to agree to disclosure of the remaining portions under terms and conditions equivalent to those governing access by and disclosure to Verizon. 28.16.6 Verizon shall not enter into any new agreements, including any renewals or extensions of existing agreements, to purchase, lease or otherwise use facilities or equipment (including software) from a third party that will be used by Verizon in the performance of this Agreement unless such third party (and its licensers, if any) has agreed in writing to (i) grant such rights as are sufficient to permit Verizon to make all of the warranties required pursuant to Section 28.16.2, and (ii) permit AT&T access to such agreement under the same terms and conditions that apply to Verizon. 28.16.7 Except as provided in Section 28.16.3.4, in no event shall AT&T be responsible for obtaining any license or right to use agreement associated			

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		with any Network Element purchased from Verizon.			
IV-45	Should the ICA contain a fraud prevention provision that: (1) requires each Party to make available to the other fraud prevention features that may be embedded within any of the Network Elements; (2) makes clear that uncollectible or unbillable revenues from fraud and resulting from, but not confined to provisioning, maintenance, or signal network routing errors shall be the responsibility of the Party causing the error; and (3) states that neither Party is liable to the other for any fraud incurred in connection with service offerings, but that each Party must indemnify and hold each other harmless for any losses payable to IXC carriers caused by "clip-on" fraud incurred as a result of unauthorized access to an indemnifying Party's Service Area Concept (provided that the indemnifying Party shall control all negotiations and settlements of such claims with the applicable IXC carriers)?	Attachment IX, Section 3 et seq. Section 3. Fraud Prevention 3.1 Each Party shall make available to the other fraud prevention features, including prevention, detection, or control functionality, that may be embedded within any of the Network Elements in accordance with applicable Tariffs or as otherwise mutually agreed, such as 900 NPA and international blocking offered to business customers and aggregators. [Agreed] 3.2 Uncollectible or unbillable revenues from fraud and resulting from, but not confined to provisioning, maintenance, or signal network routing errors shall be the responsibility of the Party causing such error. 3.3 Neither Party shall be responsible to the other for any fraud incurred in connection with their respective service offerings, except that each Party shall indemnify and hold each other harmless for any losses payable to IXC carriers caused by "clip-on" fraud incurred as a result of unauthorized access to an indemnifying party's Service Area Concept ("SAC"); provided that the indemnifying party shall control all	The Interconnection Agreement should contain a provision that provides that each of the parties will share technologies that would allow the other to prevent fraud on the network. The Agreement should also have a provision that ensures that, in the event WorldCom purchases network facilities from Verizon or is interconnected with Verizon, WorldCom should not be required to shoulder the liabilities and costs arising from the malfeasance of third parties that perpetrate fraud against WorldCom or its customers by unlawfully using Verizon's unsecured service, facilities or network. Verizon alone has access to systems that can quickly and efficiently detect and prevent fraud and therefore Verizon should be required to bear the burden of loss associated with the failure of such systems. It would be commercially unreasonable to hold WorldCom liable for fraud that it can neither monitor nor protect itself against. Verizon fails to recognize that WorldCom and Verizon are not in the same position. Verizon alone owns and controls access to its own network. WorldCom is simply unable to monitor the network and ensure	§ 17, Terms and Conditions of Agreement: "**[WorldCom]** assumes responsibility for all fraud associated with its Customers and accounts." § 26.1, Cooperation. ....[T]he Parties will work cooperatively in a commercially reasonable manner to apply sound network management principles to alleviate or to prevent traffic congestion and to minimize fraud associated with third number billed calls, calling card calls, and other services related to this Agreement.	Verizon will continue to cooperate with any CLEC to minimize fraud. However, WorldCom should not be permitted to shift the burden of liability from WorldCom to Verizon for losses occasioned by certain types of fraud. Just as Verizon shoulders the loss for any fraud perpetrated against it by its end-user customers, so should WorldCom shoulder that loss for fraud perpetrated by its customers. See Direct Testimony of General Terms and Conditions Panel, dated August 17, 2001, at pp. 11-12; and Rebuttal Testimony of General Terms and Conditions Panel, dated September 5, 2001, at pp. 7-8.

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		negotiations and settlements of such claims with the applicable IXC carriers.	that necessary security precautions are being taken. (See Rebuttal Testimony of Ron Zimmermann, dated September 5, 2001 at 1-3).		
IV-83	Should the Interconnection Agreement contain a provision defining the scope of the agreement, states that the Interconnection Agreement specifies the rights and obligations of each Party with respect to the purchase and sale of Local Interconnection, Local Resale, Network Elements, and related services, and defines the subject matter content of each Part of the Interconnection Agreement?	Resolved by inclusion of WorldCom's Part A, Section 1.1			**Resolved.**
IV- 84	Should the Interconnection Agreement contain a provision: (1) obligating Verizon to provide services in any Technically Feasible combination requested by WorldCom (excepting Local Resale); (2) prohibiting either party from discontinuing or refusing to provide any service provided or required under the Interconnection Agreement (except in accordance with the terms of the Interconnection Agreement), without the other party's written agreement; and (3) prohibiting Verizon from altering its network without notice in a manner (i) inconsistent with the FCC's notice requirements and (ii) that would impair WorldCom's rights under the Interconnection Agreement?	1.2 Verizon shall provide the services set forth in this Agreement in any Technically Feasible arrangement of resale services and Network Elements (possibly in conjunction with facilities provided by MCIm) requested by MCIm, pursuant to the terms of this Agreement and in accordance with the requirements of Applicable Law, or where appropriate, the Bona Fide Request ("BFR") process set forth in Section [6] (BFR Process for Further Unbundling) of this Part A. -Examples of such arrangements include, but are not limited to, (i) Network Element Platform ("UNE-P") in conjunction with resold DSL services or Advanced Services and (ii) UNE-P in conjunction with resold Operator Services/Directory Assistance Services. Neither Party shall	The Act identifies three entry methods that competing carriers may use to serve customers. WorldCom has proposed that the interconnection agreement require Verizon to allow WorldCom to use mixtures of these entry methods to serve its customers. For example, if a customer needs both voice service and DSL, WorldCom could meet the customer's voice service needs through the UNE-Platform ("UNE-P") and its DSL needs through resold DSL. Nothing in the Act prohibits such arrangements and they further the Act's pro-competitive goals. Denying WorldCom this ability would prevent WorldCom from being able to serve its customers as flexibly as Verizon may serve its customers. Moreover, the current interconnection	Verizon proposes deletion of WorldCom's proposed Part A, § 1.2	Although Verizon will comply with applicable law, it cannot be forced to obligate itself through the interconnection agreement beyond the requirements of applicable, law as that law may change over time. Specifically, Verizon must be able to cease providing a service or benefit if it is no longer required to do so under applicable law, and that right should not be subject to WorldCom's consent. Under such circumstances, Verizon will comply with any law applicable to the timeframes or other terms relating to the cessation of service. Moreover, Verizon must be permitted to change its network in accordance with applicable law. See Direct Testimony of General Terms and Conditions Panel, dated

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		discontinue or refuse to provide any service provided or required hereunder, except in accordance with the terms hereof, without the other Party's written agreement. Verizon shall not reconfigure, reengineer or otherwise redeploy its network in a manner which would impair MCIm's ability to offer Telecommunications Services in the manner contemplated by this Agreement, the Act, or the FCC's rules and regulations without providing notice of network changes in accordance with the Act and FCC rules and regulations.	agreement allows for these mixed arrangements. This issue has nothing to do with UNE combinations, and instead addresses mixtures of service offerings. The revised contract language makes this more clear, by referring to "arrangements" instead of "combinations." Verizon's professed confusion about the purpose of WorldCom's language makes little sense. (See Rebuttal Testimony of Mark Argenbright, dated September 5, 2001 at 25-26).		August 17, 2001, at pp. 12-14.
IV-86	Should the Interconnection Agreement contain a provision stating that (1) except as otherwise provided, the purchasing Party is authorized to use the services provided to it under the Interconnection Agreement in connection with other technically compatible services provided by the providing Party under the Interconnection Agreement, or with any services provided by the purchasing Party or third parties, but that (2) unless otherwise provided, interconnection services, call transport and termination services, and unbundled Network Elements shall be available under the terms and conditions (including prices) set forth in the Interconnection Agreement, and shall only be used for purposes consistent with the purchasing Party's obligations under the Act and any	Resolved by inclusion of WorldCom's Part A, Section 1.4.			**Resolved.**

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
	rules, regulations or orders thereunder?				
IV-87	Should the Interconnection Agreement contain a provision stating that no provision of the Interconnection Agreement shall be deemed waived, amended or modified by either Party unless such a waiver, amendment or modification is in writing, dated, and signed by both Parties?	Resolved by inclusion of WorldCom's Part A, Section 2.1.			**Resolved.**
IV-88	Should the Interconnection Agreement contain a provision: (1) making assignments or delegations of Interconnection Agreement rights or obligations to any non-affiliated entity void, without prior written notice and consent, (2) requiring written notice of an assignment or delegation to an Affiliate, and (3) further setting forth the rights and obligations of the Parties upon a valid assignment or delegation?	**Resolved in 9/3 email from Chris Antoniou to Matt Harthun, by acceptance of WorldCom and Verizon edits to modified language proposed by Verizon during mediations.**	**Resolved.**		**Resolved.**
IV-89	Should the Interconnection Agreement contain a provision governing audits and examinations that: (1) entitles each Party to audit the other Party's books, records and documents for the purpose of evaluating the accuracy of the other Party's bills and performance reports rendered under the Interconnection Agreement, and that states how often such audits may be performed; (2) states that a Party may employ others persons or firms to conduct the audit, and that the time and place of	Resolved by inclusion of WorldCom's Part A, Section 4 et seq., inserting Section 23.2 of 1997 agreement as Section 4.2 and with modification to WorldCom's Part A, Section 4.4, now Section 4.5.			**Resolved.**

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
	audits shall take place by agreement of the parties; (3) sets forth a procedure for correction by the audited party of any error revealed in the audit; (4) obligates each Party to cooperate fully in any audit; (5) places the cost of the audit on the auditing Party, but prohibits the audited Party from charging the auditing Party for reasonable access; (6) provides that information disclosed in an audit is deemed to be confidential information subject to the Interconnection Agreement's confidentiality restrictions; (7) provides for a limited survival period for audits following expiration or termination of the Interconnection Agreement?				
IV-90	Should the Interconnection Agreement contain a provision governing the rights and procedures for billing disputes, including allocation of interest payments upon resolution of such disputes?	Resolved by inclusion of WorldCom's Part A, Section 5.			**Resolved.**
IV-91	Should the Interconnection Agreement contain detailed provisions setting forth how branding will occur?	Partially resolved by inclusion of Verizon's proposed language for Part A, Sections 7.1, 7.4 through 7.7. Verizon's proposed Section 7.1 has been included in the agreed-to portions of the Resale Attachment. WorldCom's proposed Section 7.1 remains in dispute. Section 7. Branding 7.1 Whenever Verizon has control	This provision is necessary because it provides necessary details on Verizon's obligations with respect to branding of services in order to ensure that WorldCom will be identified as the service provider where necessary. WorldCom objects to Verizon's proposal that branding only be provided in a pure resale context. WorldCom needs access to branding	Despite the language Verizon submitted in its proposed interconnection agreement to WorldCom in August 2000, Verizon currently proposes the same language on the issue of branding as that to which Verizon and AT&T have agreed: 7.1 To the extent required by Applicable Law, upon request by [**WorldCom**] and at prices, terms and	Verizon is willing to provide branding to WorldCom in accordance with the Commission's rules regarding resale. The ILEC obligation to provide branding services exists when the CLEC purchases a package including operator, call completion or directory assistance from the ILEC as a part of the resale of services. Verizon is under no obligation to provide branding to WorldCom when WorldCom leases Verizon's network elements pursuant to

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		over handling of the services that MCIm may provide to third parties using services provided by Verizon under this Agreement, Verizon shall, at MCIm's sole discretion, brand any and all services at all points of Customer contact exclusively as MCIm services, or otherwise as MCIm may specify, or be provided with no brand at all, as MCIm may determine. Where Technically Feasible, the branding provided by Verizon must be automatic and not require any manual intervention. Verizon shall not unreasonably interfere with branding by MCIm. Verizon shall thoroughly test branding or unbranding of Operator Services, Directory Assistance and all interfaces and transfer features prior to delivery to MCIm's Customers, subsidiaries, Affiliates, or any other third parties. These tests include, but are not limited to, the installation and testing of MCIm-provided tapes. **12.3 Availability of Branding for Resale** To the extent required by Applicable Law, upon request by AT&T and at prices terms and conditions to be negotiated by AT&T and Verizon, Verizon shall provide Verizon Resold Services that are identified by AT&T's trade name, or that are not identified by trade name, trademark, or service mark.	of operator services and directory assistance for its UNE-P customers, and has therefore proposed that it be allowed to purchase branding for use in that context. Verizon argues that it only has an obligation to provide branding when a CLEC purchases OS/DA as part of the resale of services. Verizon contends that where network elements are leased as part of a UNE-P configuration, no such branding obligation applies. Verizon claims that WorldCom "misunderstands" what it leases when it provides its customers with services using UNE-P, and that WorldCom could use customized routing or make arrangements with third-party sources to provide OS/DA to its UNE-P customers. The means by which WorldCom provides service to its customers should not prevent it from obtaining branding for OS/DA. In other words, WorldCom requests that the agreement's branding provisions be written in such a way that branding is not limited to a single form of market entry. The Commission recognized in the Local Competition Order that branding is important for several reasons. Branding services with the	conditions to be negotiated by **[WorldCom]** and Verizon, Verizon shall provide Verizon Resold Services that are identified by **[WorldCom]**'s trade name, or that are not identified by trade name, trademark or service mark. . . . 7.4 Verizon will recognize **[WorldCom]** as the customer of record of all services ordered by **[WorldCom]** under this Agreement. **[WorldCom]** shall be the single point of contact for **[WorldCom]** Customers with regard to all services, facilities or products provided by Verizon to **[WorldCom]** and other services and products which they wish to purchase from **[WorldCom]** or which they have purchased from **[WorldCom]**. Communications by **[WorldCom]** Customers with regard to all services, facilities or products provided by Verizon to **[WorldCom]** and other services and products which they wish to purchase from **[WorldCom]** or which they have purchased from **[WorldCom]**, shall be made to **[WorldCom]**, and not to Verizon. **[WorldCom]** shall instruct **[WorldCom]** Customers that such communications shall be directed to **[WorldCom]**. 7.5 Requests by **[WorldCom]** Customers for information about or provision of products or services	a UNE-P configuration. "Branding" is not a network element, but a service Verizon provides pursuant to its resale obligations. WorldCom's position on this issue appears to be an attempt to circumvent the Commission's decision on the unbundling of OS/DA in the *UNE Remand Order,* in which it specifically refused to broaden the definition of OS/DA to include the "affirmative obligation to rebrand OS/DA . . . ." Verizon provides customized routing and other alternatives exist for WorldCom to provide operator support or directory assistance. WorldCom should not be allowed to do indirectly what it cannot do directly, that is – require Verizon to rebrand OS/DA. Verizon proposes the same language on the issue of branding as that to which Verizon and AT&T have agreed. *See* §§ 12.3 and 18.2 of Verizon-proposed interconnection agreement for AT&T. Mediation Direct Testimony beginning at 17. Mediation Rebuttal Testimony beginning at 9.

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		18.2.1 Verizon will recognize AT&T as the customer of record of all Services ordered by AT&T under this Agreement. AT&T shall be the single point of contact for AT&T Customers with regard to all services, facilities or products provided by Verizon to AT&T and other services and products which they wish to purchase from AT&T or which they have purchased from AT&T. Communications by AT&T Customers with regard to all services, facilities, or products provided by Verizon at AT&T and other services and products which they wish to purchase from AT&T or which they have purchased from AT&T, shall be made to AT&T, and not to Verizon. AT&T shall instruct AT&T Customers that such communications shall be directed to AT&T. **18.2.2** Requests by AT&T Customers for information about or provision of products or services which they wish to purchase from AT&T, requests by AT&T Customers to change, terminate, or obtain information about, assistance in using, or repair or maintenance of, products or services which they have purchased from ATT, and inquiries by AT&T Customers concerning AT&T's bills, charges for AT&T's products or services, and, if the AT&T Customers receive dial tone line service from AT&T, annoyance calls, shall be	name of the CLEC with whom the end-user has a subscription "minimize[s] customer confusion," and protects CLECs from the competitive disadvantage that results from having services branded under the name of their chief competitor. Although those concerns were discussed in the context of resale, the same principles would apply in other contexts. Verizon has not offered any arguments that suggest that branding is any less important to CLECs providing service to customers through other methods, such as UNE-P, and there is therefore no reason to adopt Verizon's proposal that branding be limited to the resale context. WorldCom proposes that it be allowed to purchase branding of OS/DA, at the applicable rates, and use that purchased branding in conjunction with the UNE-P services that it uses to serve its customers' other needs. Verizon has allowed WorldCom to purchase OS/DA branding for use in conjunction with UNE-P in New York, Massachusetts, and Pennsylvania. (See Rebuttal Testimony of Sherry Lichtenberg, dated September 5, 2001 at 6-9). Despite its attempt to narrow issues for arbitration, Verizon VA cannot agree to inclusion of WorldCom's proposed Part A, § 7, which as	which they wish to purchase from **[WorldCom]**, requests by **[WorldCom]** Customers to change, terminate, or obtain information about, assistance in using, or repair or maintenance of, products or services which they have purchased from **[WorldCom]**, and inquiries by **[WorldCom]** Customers concerning AT&T's bills, charges for **[WorldCom]**'s products or services, and, if the **[WorldCom]** Customers receive dial tone line service from **[WorldCom]**, annoyance calls, shall be made by the **[WorldCom]** Customers to **[WorldCom]**, and not to Verizon. 7.6 **[WorldCom]** and Verizon will employ the following procedures for handling misdirected repair calls: 7.6.1 **[WorldCom]** and Verizon will educate their respective Customers as to the correct telephone numbers to call in order to access their respective repair bureaus. 7.6.2 To the extent Party A is identifiable as the correct provider of service to Customers that make misdirected repair calls to Party B, Party B will immediately refer the Customers to the telephone number provided by Party A, or to an information source that can provide the telephone number of Party A, in a	

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		made by the AT&T Customers to AT&T, and not to Verizon. **18.2.3** AT&T and Verizon will employ the following procedures for handling misdirected repair calls: **18.2.3.1** AT&T and Verizon will eductate their respective Customers as to the correct telephone numbers to call in order to access their respective repair bureaus. **18.2.3.2** To the extent Party A is identifiable as the correct provider of service to Customers that make misdirected repair calls to Party B, Party B will immediately refer the Customers to the telephone number provided by Party A, or to an information source that can provide the telephone number of Party A, in a courteous manner and at no charge. In responding to misdirected repair calls, neither Party shall make disparaging remarks about the other Party, its services, rates, or service quality. **18.2.3.3** AT&T and Verizon will provide their respective repair contact numbers to one another on a reciprocal basis. **18.2.4** In addition to section 18.2.3 addressing misdirected repair calls, the Party receiving other types of misdirected inquiries from the other	WorldCom admits is not the language from the existing agreement. Nevertheless, Verizon VA proposes that its interconnection agreement with WorldCom include the same language on the issue of branding as that to which Verizon VA and AT&T have agreed. *See* §§ 12.3 and 18.2 of Verizon VA's proposed interconnection agreement for AT&T. WorldCom's newly proposed language is problematic in that it calls for branding for services other than resold services – specifically in the UNE-P context. The ILEC obligation to provide branding services exists when the CLEC purchases a package including operator, call completion or directory assistance from the ILEC as a part of the resale of services. *See* 47 C.F.R. § 51.613(c)(2000). Verizon VA is willing to provide branding to WorldCom in accordance with the Commission's rules regarding resale. Nevertheless, Verizon VA is under no obligation to provide branding to WorldCom when WorldCom leases Verizon VA's network elements pursuant to a UNE-P configuration. WorldCom contends that "if WorldCom is providing service to end users via the UNE-Platform, Verizon would have to brand the service to reflect that the customer is receiving service from WorldCom." WorldCom misunderstands what it	courteous manner and at no charge. In responding to misdirected repair calls, neither Party shall make disparaging remarks about the other Party, its services, rates, or service quality. 7.6.3 [**WorldCom**] and Verizon will provide their respective repair contact numbers to one another on a reciprocal basis. 7.7 In addition to Section 7.6 addressing misdirected repair calls, the Party receiving other types of misdirected inquiries from the other Party's Customer shall not in any way disparage the other [**WorldCom**].	

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		Party's Customer shall not in any way disparage the other party	leases from Verizon when it provides telecommunications to end users via the UNE-P. Moreover, WorldCom can provide operator services and directory assistance through other means over the UNE-P. For instance, Verizon VA is willing to provide customized routing to WorldCom and, in addition, WorldCom can make arrangements through third-party sources to "reflect that the customer is receiving service from WorldCom." Unlike resale, in which WorldCom purchases Verizon VA's telecommunication services at a wholesale discount, when WorldCom purchases the UNE-P, it leases Verizon VA's physical network. As the Commission articulated in the *UNE Remand Order*, Verizon VA has an obligation under certain circumstances to unbundle network elements, which include loops, subloops, local switching, and interoffice transmission facilities, among other elements. "Branding" is not a network element, but a service Verizon VA provides pursuant to its resale obligations. Verizon VA provides WorldCom with customized routing as a means through which WorldCom can provide operator services and directory assistance to its end users. WorldCom's position on this issue appears to be an attempt to circumvent the Commission's decision on the unbundling of OS/DA		

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
			in the *UNE Remand Order*. In the *UNE Remand Order*, the Commission declared that: where incumbent LECs provide customized routing, lack of access to the incumbents' OS/DA service on an unbundled basis does not materially diminish a requesting carrier's ability to offer telecommunications service. The record provides significant evidence of a wholesale market in the provision of OS/DA services and opportunities for self-provisioning OS/DA services . . . We note that nondiscriminatory access to the incumbent's underlying databases used in the provision of OS/DA is required under section 251(b)(3) of the 1996 Act . . . Accordingly, incumbent LECs need not provide access to its OS/DA as an unbundled network element. *UNE Remand Order* ¶ 441-442. The Commission specifically refused to broaden the definition of OS/DA to include the "affirmative obligation to rebrand OS/DA . . . ." *UNE Remand Order* ¶ 444. WorldCom impermissibly seeks to expand the		

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
			definition of OS/DA in this interconnection arbitration to include branding and illegitimately attempts to force Verizon VA to unbundle its OS/DA. Because Verizon VA provides customized routing and since other alternatives exist for WorldCom to provide operator support or directory assistance, WorldCom should not be allowed to do indirectly what it cannot do directly, that is – require Verizon VA to rebrand OS/DA. WorldCom's proposed language is further problematic in that it fails to recognize the need for the Parties' to negotiate the specific terms for branding. WorldCom ignores the fact that there should be a fee for branding and mistakenly assumes that branding is automatic and free. In proposing language that prohibits Verizon VA from interfering with WorldCom's branding, WorldCom suggests that WorldCom could somehow manipulate Verizon VA's network to provide branding. Finally, Verizon VA cannot agree to WorldCom's vague and ambiguous proposal that Verizon VA will always "thoroughly" test its interfaces and transfer features before providing branding to WorldCom or third parties. As stated previously, Verizon VA would be willing to incorporate the language to which Verizon VA and		

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
			AT&T have agreed in §§ 12.3 and 18.2 of the Verizon VA's proposed interconnection agreement for AT&T.		
IV-92	Should the Interconnection Agreement contain a provision that makes clear that the Interconnection Agreement provisions governing branding shall not confer on either Party any rights to the service marks, trademarks and tradenames owned by or used in connection with services by the other Party or its Affiliates, except as expressly permitted by the branding provisions?	Resolved by inclusion of WorldCom's Part A, Section 7.3			**Resolved.**
IV-93	Should the Interconnection Agreement contain a provision that requires Verizon technicians, when on a premise visit on behalf of WorldCom, to identify themselves as Verizon employees performing services on behalf of WorldCom? Should that provision also define the appropriate contents of a status card left by such a technician on a status visit (and include an Exhibit A that contains a representative sample) and prohibit such technicians from leaving any promotional or marketing literature for or otherwise market Verizon Telecommunications Services to the WorldCom customer (excepting a telephone number for customer service or sales)?	Resolved per mediation session of 8/1/01 by inclusion of Verizon's proposed language.			**Resolved.**
IV-94	Should the Interconnection Agreement contain a provision stating that the purchasing Party will pay	Resolved per mediation session of 8/01/01 by inclusion of modified WorldCom-proposed language.			**Resolved.**

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
	charges in consideration for services, and incorporating by reference attachments setting forth charges and billing and payment procedures?				
IV-95	Should the Interconnection Agreement contain a provision making each Party (subject to certain exceptions) responsible for all costs and expenses incurred in complying with its obligations under the Interconnection Agreement, and requiring each Party to undertake the technological measures necessary for such compliance?	Part A, Section 8.2. 8.2 Except as otherwise specified in this Agreement, each Party shall be responsible for: (i) all costs and expenses it incurs in complying with its obligations under this Agreement; and (ii) the development, modification, technical installation and maintenance of any systems or other infrastructure which it requires to comply with and to continue complying with its responsibilities and obligations under this Agreement.	There should be a provision that makes each party individually responsible for all costs and expenses it incurs in complying with the obligations of the Interconnection Agreement. Verizon considers the proposed language unnecessary. It will only accept WorldCom's proposed language if the phrase "or otherwise provided for under Applicable Law" is added to the provision. Verizon's proposal should be rejected because Verizon has failed to specify the provisions of Applicable Law to which it refers. The pricing attachment to the Agreement already specifies the exclusive list of rates that the parties may charge each other, subject to changes in applicable law. The pricing attachment explains that any changes to the applicable law will cause the rates to change as well. Verizon fails to give any specific examples of costs or charge changes that would fall outside of the pricing attachment to the Agreement, and WorldCom is concerned that Verizon will attempt to foist charges on it that WorldCom does not agree are required under any existing law. (See Rebuttal Testimony of John Trofimuk, Matt Harthun and Lisa	Verizon proposes a modification to WorldCom's proposed Part A, § 8.2.	Verizon proposes to add to WorldCom's proposed Part A, § 8.2. the phrase "or otherwise provided for under Applicable Law" after the introductory clause "Except as otherwise specified in this Agreement." This addition would make clear that Verizon must be compensated for its costs in providing services to WorldCom. Without this clause, WorldCom's language could arguably require Verizon to provide services without being made whole for its costs. See Direct Testimony of General Terms and Conditions Panel, dated July 31, 2001, at pp. 21-22.

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
			Roscoe, dated September 5, 2001 at 21-22).		
IV-96	Should the Interconnection Agreement contain a provision requiring each Party to comply with Applicable law, to obtain and keep in effect all regulatory approvals, and to reasonably cooperate in obtaining and maintaining such approvals? Should the provision further provide that the Interconnection Agreement shall survive, subject to other provisions of Part A, in the event that the Act or FCC rules and regulations applicable to the Interconnection Agreement are held invalid?	Resolved by inclusion of WorldCom's Part A, Section 9.1, pending clean up of cross-references to Section 25.2 and 28.1, if necessary			**Resolved.**
IV-98	Should Verizon be precluded from sharing WorldCom confidential information with Verizon's retail component?	Resolved per mediation session of 8/1/01 by inclusion of modified WorldCom-proposed Section 10.3.3.			**Resolved.**
IV-99	Should the Interconnection Agreement contain a provision setting forth rules of construction applicable to the Interconnection Agreement terms and conditions?	Resolved by inclusion of WorldCom's Part A, Sections 11.1, 11.2, 11.3 and 11.4			**Resolved.**
IV-100	Should the Interconnection Agreement contain a dispute resolution provision that permits the Parties to submit to the Commission any dispute arising out of the Interconnection Agreement that the Parties cannot resolve (assuming the Commission retains continuing jurisdiction to implement and enforce the terms and conditions of the Interconnection Agreement), and that sets forth the obligations of the Parties	Resolved per Verizon's answer and mediation session of 8/01/01 by inclusion of WorldCom's proposed Part A, Section 13.1.			**Resolved.**

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
	upon such submission?				
IV-101	Should the parties be allowed to submit disputes under the agreement to binding arbitration under the United States Arbitration Act?	28.11 Dispute Resolution 28.11.1 Alternative to Litigation. Except as provided under Section 252 of the Act with respect to the approval of this Agreement and any amendments thereto by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, the Parties agree to use the following alternative dispute resolution procedures as a ~~the~~ final and binding remedy with respect to any action, dispute, controversy or claim arising out of or relating to this Agreement or its breach, except with respect to the following: (1) An action seeking a temporary restraining order or an injunction related to the purposes of this Agreement; (2) A dispute, controversy or claim relating to or arising out of a change in law or reservation of rights under the provisions of Section 27 of this Agreement; (3) A suit to compel compliance with this dispute resolution process; (4) An action concerning the misappropriation or use of intellectual property rights of a Party, including, but not limited to, the use of the trademark, tradename, trade dress or service mark of a Party; (5) An action for fraud; (6) A billing dispute equal to or	The Interconnection Agreement should include a binding arbitration provision that, as a general matter, details a private, speedy and cost-effective process for resolution of typical disputes that will likely arise under the Agreement. When a dispute arises under the interconnection agreement, the companies should be able to get expedited relief to enforce the agreement pursuant to federal law, especially in light of the Virginia Commission's unwillingness to interpret and enforce interconnection agreements pursuant to the Act. Verizon asserts that it is not required to agree to an alternative dispute resolution provision, and in the absence of such agreement cannot be compelled to adopt a binding arbitration provision. WorldCom rejects Verizon's freedom to contract argument. The parties are not entering into the typical contractual arrangement. As an incumbent LEC that controlled the market for local telecommunications services before the 1996 Act, Verizon has no incentive to enter an agreement with WorldCom or other new entrants. However, under the Act, the parties must agree to the terms and conditions of interconnection.	28.11 Dispute Resolution 28.11.1 Alternative to Litigation. Except as provided under Section 252 of the Act with respect to the approval of this Agreement and any amendments thereto by the Commission, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, the Parties agree to use the following alternative dispute resolution procedures as a final and binding remedy with respect to any action, dispute, controversy or claim arising out of or relating to this Agreement or its breach, except with respect to the following: (1) An action seeking a temporary restraining order or an injunction related to the purposes of this Agreement; (2) A dispute, controversy or claim relating to or arising out of a change in law or reservation of rights under the provisions of this Agreement; (3) A suit to compel compliance with this dispute resolution process; (4) An action concerning the misappropriation or use of intellectual property rights of a Party, including, but not limited to, the use of the trademark, tradename, trade dress or service mark of a Party;	While Verizon VA was able to accept nearly all of WorldCom's proposed revisions to its language, there are two changes that Verizon VA cannot accept. First, WorldCom wishes to delete the sentence that is at the end of Section [28.11.3]: "The written opinion of the arbitrator shall not be enforceable in any court having jurisdiction over the subject matter until the Commission, pursuant to Section [28.11.7] below, has issued an Order adopting or modifying the arbitrator's written opinion." Second, WorldCom wishes to delete the sentence that is at the end of Section [28.11.2]: "Additionally, [WorldCom] hereby waives its rights to submit disputes in accordance with the alternative dispute mediation process implemented by Verizon pursuant to paragraph 40 and Attachment F of the Merger Order." The Verizon VA-proposed dispute resolution procedures (agreed to by AT&T) are premised upon a private arbitrator issuing a decision, but such decision being subject to the review of the Virginia Commission (or this Commission acting in the Virginia Commission's stead). That way, if the Virginia Commission finds the arbitrator's decision acceptable, it can either issue an order approving the decision or, if it takes no action within

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		in excess of $2,000,000.00; (7) Any rate or charge within the jurisdiction of the Commission or the FCC; (8) Any term or condition of the (i) Memorandum Opinion and Order, In the Applications of NYNEX Corp., Transferor, and Bell Atlantic Corp, Transferee, For Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries, 12 F.C.C.R. 19985 (1997) or (ii) Application of GTE Corporation, Transferor and Bell Atlantic Corporation, Transferor, Memorandum Opinion and Order, CC Docket No. 98-184, FCC 00-221 (rel. June 16, 2000) ("Merger Order); (9) A dispute, controversy or claim relating to or arising out of the tax provisions of this Agreement; and (10) Any dispute appropriately before the Commission pursuant to the abbreviated Dispute Resolution Process as established in Case No. 000026, Case No. 000035, or another proceeding before the Commission. Any such actions, disputes, controversies or claims may be pursued by either Party before any court, Commission or agency of competent jurisdiction. ~~Additionally, AT&T hereby waives its rights to submit disputes in accordance with the alternative dispute resolution mediation process implemented by Verizon pursuant to paragraph 40 and Attachment F of the Merger Order.~~	Indeed, the Act grants to state commissions and, if necessary, the Commission the authority to resolve and arbitrate disputes irrespective of Verizon's wishes. Thus, pursuant to the Act, Verizon must agree to terms and conditions that commercial contracts in most other settings do not contain unless mutually agreeable to both parties. Nonetheless, in an effort to resolve this issue, WorldCom has withdrawn its originally proposed language and has agreed to accept Verizon's proposed alternative dispute resolution provision with certain modifications. See Direct Testimony of John Trofimuk, Matt Harthun, and Lisa Roscoe, 43-49. In our Direct Testimony, we explain comprehensively each particular, proposed modification. See id. at 49-51. To summarize: First, we propose to make it clear in Verizon's proposed language that the arbitrator's award is final and binding on the parties. Second, WorldCom proposes to insert in Verizon's proposal an exclusion for disputes arising out of tax provisions of the Agreement. Third, WorldCom objects to the inclusion of a provision in the Verizon proposed language that would require WorldCom to waive its right to use the alternative dispute resolution process required of	(5) An action for fraud; (6) A billing dispute equal to or in excess of $2,000,000.00; (7) Any rate or charge within the jurisdiction of the Commission or the FCC; (8) Any term or condition of the (i) Memorandum Opinion and Order, In the Applications of NYNEX Corp., Transferor, and Bell Atlantic Corp, Transferee, For Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries, 12 F.C.C.R. 19985 (1997) or (ii) Application of GTE Corporation, Transferor and Bell Atlantic Corporation, Transferor, Memorandum Opinion and Order, CC Docket No. 98-184, FCC 00-221 (rel. June 16, 2000) ("Merger Order); (9) A dispute, controversy or claim relating to or arising out of the tax provisions of this Agreement; and (10) Any dispute appropriately before the Commission pursuant to the abbreviated Dispute Resolution Process as established in Case No. 000026, Case No. 000035, or another proceeding before the Commission. Any such actions, disputes, controversies or claims may be pursued by either Party before any court, Commission or agency of competent jurisdiction. Additionally, AT&T hereby waives its rights to submit disputes in accordance with the alternative dispute resolution mediation process implemented by Verizon pursuant to paragraph 40 and	thirty (30) days of receiving the arbitrator's decision, the Virginia Commission's approval of the order is deemed given. Alternatively, if the Virginia Commission does not agree with the decision, it may modify it as it deems appropriate. The key, however, is that the Virginia Commission must have an opportunity to review the arbitrator's decision before the decision becomes effective. Neither Verizon VA nor WorldCom should have to give effect to a private arbitrator's decision without the Virginia Commission having had an opportunity to determine whether the decision comports with the contract, applicable law, public policy and fundamental fairness. As to WorldCom's desired deletion of the last sentence of § 28.11.3, Verizon VA is willing to modify this provision so that it only applies to matters that are subject to arbitration (i.e., those not listed as exceptions to arbitration in § 28.11.1). However, as to those matters that are subject to arbitration, WorldCom should not be able to have it both ways – it should not be able to forum shop. That is, WorldCom, as the party insisting upon third party arbitration as the exclusive means for resolving certain potential disputes, should not also have available to it other fora to resolve disputes. WorldCom must choose. If it wishes to have an arbitration process as the means to

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		28.11.2 Negotiations. At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as Confidential Information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise discoverable or admissible, be discovered, or be admitted in evidence, in the arbitration or lawsuit. 28.11.3 Arbitration Except for those disputes identified in section 28.11.1(1) through 28.11.1(9),	Verizon under Verizon's GTE/Bell Atlantic merger conditions. Fourth, WorldCom has proposed several modifications in order to make it conform more tightly to the AAA Rules. And, fifth, WorldCom proposes that the expedited procedures of the AAA Rules be invoked for billing disputes of $200,000 or less, and not, as Verizon proposes, for all billing disputes. (See Rebuttal Testimony of John Trofimuk, Matt Harthun and Lisa Roscoe, dated September 5, 2001 at 25-27).	Attachment F of the Merger Order. 28.11.2 Negotiations At the written request of a Party, each Party will appoint a knowledgeable, responsible representative to meet and negotiate in good faith to resolve any dispute arising out of or relating to this Agreement. The Parties intend that these negotiations be conducted by non-lawyer, business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as Confidential Information developed for purposes of settlement, exempt from discovery, and shall not be admissible in the arbitration described below or in any lawsuit without the concurrence of all Parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise discoverable or admissible, be discovered, or be admitted in evidence, in the arbitration or lawsuit.	resolve certain disputes, then that must be the exclusive remedy for such disputes. See Rebuttal Testimony of General Terms and Conditions Panel, dated September 5, 2001, at pp. 10-15.

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		if the negotiations do not resolve the dispute within sixty (60) days of the initial written request, the dispute may be submitted by either Party or both Parties (with a copy provided to the other Party) to the Commission for arbitration pursuant to section 252 of the Act. The Commission shall assign the dispute to a single arbitrator selected by the Parties pursuant to the Commercial Arbitration Rules of the American Arbitration Association ("AAA") in effect on the date of commencement of the arbitration, as modified by this Agreement, hereinafter referred to as the AAA Rules, ~~, to which body the Parties hereby agree to submit the dispute pursuant to the AAA Rules, except that t~~ The Parties may select an arbitrator outside AAA's roster of arbitrators ~~Rules~~ upon mutual agreement prior to AAA's appointment of an arbitrator. Neither Party waives any rights it may otherwise have under Section 252 of the Act by agreeing to allow the Commission to assign the dispute to an arbitrator selected by the Parties. Discovery shall be controlled by the arbitrator but limited ~~and shall be permitted~~ to the extent set out in this section, unless otherwise prohibited by the AAA Rules. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of twenty-five (25) (none of which may have		28.11.3 Arbitration Except for those disputes identified in section 28.11.1(1) through 28.11.1(9), if the negotiations do not resolve the dispute within sixty (60) days of the initial written request, the dispute may be submitted by either Party or both Parties (with a copy provided to the other Party) to the Commission for arbitration pursuant to section 252 of the Act. The Commission shall assign the dispute to a single arbitrator selected by the Parties pursuant to the Commercial Arbitration Rules of the American Arbitration Association ("AAA") in effect on the date of commencement of the arbitration, as modified by this Agreement, hereinafter referred to as the AAA Rules. The Parties may select an arbitrator outside AAA's roster of arbitrators upon mutual agreement prior to AAA's appointment of an arbitrator. Neither Party waives any rights it may otherwise have under Section 252 of the Act by agreeing to allow the Commission to assign the dispute to an arbitrator selected by the Parties. Discovery shall be controlled by the arbitrator but limited to the extent set out in this section, unless otherwise prohibited by the AAA Rules. Each Party may submit in writing to a Party, and that Party shall so respond to, a maximum of any combination of twenty-five (25) (none of which may have subparts) of the	

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		subparts) of the following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of the other Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city or as determined by the arbitrator. ~~The arbitrator shall control the scheduling so as to process the matter expeditiously~~. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) days after the close of hearings, including Findings of Fact and Conclusions of Law. The arbitrator shall have no power to add or detract from this Agreement of the Parties and may not make any ruling or award that does not conform to the terms and conditions of this Agreement. The arbitrator may award whatever remedies at law or in equity the arbitrator deems appropriate. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. ~~The written opinion of the arbitrator shall not be enforceable in any court having jurisdiction over the subject matter until the Commission, pursuant to~~		following: interrogatories, demands to produce documents, or requests for admission. Each Party is also entitled to take the oral deposition of one individual of the other Party. Additional discovery may be permitted upon mutual agreement of the Parties. The arbitration hearing shall be commenced within sixty (60) days of the demand for arbitration. The arbitration shall be held in a mutually agreeable city or as determined by the arbitrator. The Parties may submit written briefs. The arbitrator shall rule on the dispute by issuing a written opinion within thirty (30) days after the close of hearings, including Findings of Fact and Conclusions of Law. The arbitrator shall have no power to add or detract from this Agreement of the Parties and may not make any ruling or award that does not conform to the terms and conditions of this Agreement. The arbitrator may award whatever remedies at law or in equity the arbitrator deems appropriate. The times specified in this section may be extended upon mutual agreement of the Parties or by the arbitrator upon a showing of good cause. The written opinion of the arbitrator shall not be enforceable in any court having jurisdiction over the subject matter until the Commission, pursuant to section 28.11.7 below, has issued an Order adopting or modifying the arbitrator's written opinion.	

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		~~section 28.11.7 below, has issued an Order adopting or modifying the arbitrator's written opinion.~~ 28.11.4 Expedited Arbitration Procedures. If the issue to be resolved through the negotiations referenced in Section 28.11.2 directly and materially affects service to either Party's end-user Customers or the amount subject to a billing dispute is $200,000~~2,000,000~~ or less, then the period of resolution of the dispute through negotiations before the dispute is to be submitted to arbitration shall be five (5) Business Days. Once such a service affecting dispute is submitted to arbitration pursuant to the process outlined in Section 28.11.3 above, the arbitration shall be conducted pursuant to the expedited procedures rules of the AAA Rules in effect on the date of commencement of the arbitration~~(i.e., rules 53 through 57)~~. 28.11.5 Costs Each Party shall bear its own costs of these procedures. The Parties shall equally split the fees of the arbitrator. 28.11.6 Continuous Service The Parties shall continue providing services to each other during the pendency of any dispute resolution procedure, and the Parties shall continue to perform their obligations, including making payments in			

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		accordance with and as required by this Agreement. 28.11.7 Commission Order 28.11.7.1 Within thirty (30) days of the arbitrator's decision, the Parties shall submit that decision to the Commission for review. Each Party shall also submit its position on the arbitrator's decision in a statement not to exceed ten (10) pages as to whether the Party ~~agrees to be bound by it or~~ seeks to challenge it before the Commission. The Commission shall accept or modify the arbitrator's decision within thirty (30) days of its receipt and issue an Order accordingly pursuant to Section 252 of the Act; provided, however, if the Commission does not issue an Order accepting or modifying the arbitrator's decision within thirty (30) days of its receipt, the arbitrator's decision shall be deemed an Order of the Commission pursuant to Section 252 of the Act. The Order of the Commission shall become final and binding on the Parties, except as provided in Section 28.11.7.2 below. 28.11.7.2 Either Party may seek timely review of the Commission Order rendered above pursuant to Section 252(e)(6) of the Act. The Parties agree to waive any objection to the federal court's jurisdiction over the subject matter.			
IV-102	Should the Interconnection Agreement contain a provision stating	Resolved by inclusion of WorldCom's Part A, Section 14.1.			**Resolved.**

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
	that the Interconnection Agreement constitutes the entire agreement between the Parties on the subject matter of the Interconnection Agreement, and that it supersedes any prior or contemporaneous agreement, understanding, or representation on that subject matter?				
IV-103	Should the Interconnection Agreement contain a provision governing liability for environmental contamination that: (1) states that neither Party shall be liable to the other for any costs whatsoever resulting from the other Party's violation of federal, state, or local environmental law; (2) requires each Party, upon request, to indemnify, defend, and hold harmless the other Party against all losses caused by the indemnifying Party's violation of environmental laws; (3) places limited obligations on WorldCom regarding compliance with asbestos-regulating laws when WorldCom engages in abatement activities or equipment placement activities resulting in the generation or placement of asbestos containing material; (4) makes clear that WorldCom has no additional legal responsibilities regarding asbestos containing material on Verizon property; and (5) obligates Verizon to notify WorldCom if Verizon undertakes any asbestos control or asbestos abatement activities that could affect WorldCom's equipment or	Resolved by inclusion of WorldCom's Part A, Sections 15.1, 15.2 and 15.3.			**Resolved.**

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).